Cambridge IGCSE

Cambridge Assessment International Education
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME

CENTRE NUMBER | | | | | |

CANDIDATE NUMBER | | | | |

7203657169

ENTERPRISE **0454/12**

Paper 1 **October/November 2019**

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
Do not use staples, paper clips, glue or correction fluid.
DO **NOT** WRITE IN ANY BARCODES.

Answer **all** questions.

Each candidate should have received a copy of the case study prior to the examination.
A clean copy of the case study has been provided with this Question Paper.

Your answers must be based on the case study and your own enterprise experience and knowledge.

At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [ ] at the end of each question or part question.

This syllabus is regulated for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

This document consists of **12** printed pages, **4** blank pages and **1** Insert.

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Section A

Answer **all** the questions.

1 Dillon understood the importance of planning to a new enterprise.

(a) State **two** time periods in planning, other than medium-term.

1 .....

2 ..... [2]

(b) State **two** pieces of information that are usually included in the 'description of enterprise' section of a business plan.

1 .....

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2 .....

..... [2]

(c) Explain the effect on Dillon's enterprise of **two** problems with his business plan.

Problem 1 .....

Effect .....

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Problem 2 .....

Effect .....

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..... [6]

[Total: 10]

2 Dillon completed some market research.

(a) Explain the term *market research*.

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..... [2]

(b) Explain **one** advantage and **one** disadvantage to an enterprise of using primary research.

Advantage .....

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Disadvantage .....

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..... [4]

(c) Explain **two** ways that market research helped in the operation of **your enterprise project**. Use examples to support your answer.

1 .....

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2 .....

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..... [6]

[Total: 12]

3 Dillon negotiated with his parents for a loan to start his enterprise.

(a) State **two** situations where a negotiation might be used, other than for finance.

1 .....

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2 .....

..... [2]

(b) State **two** questions that entrepreneurs should consider when preparing for a negotiation.

1 .....

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2 .....

..... [2]

(c) **(i)** Explain **one** disadvantage of a loan as a source of finance.

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..... [2]

(ii) State **two** sources of finance, other than a loan.

1 .....

2 ..... [2]

[Total: 8]

4 **(a)** State **two** ways that opportunities for enterprise arise, other than identifying demand.

1 .....

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2 .....

..... [2]

(b) Explain the term *expenditure on capital goods*.

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..... [2]

(c) Use the information in the case study to answer the following questions.

(i) Calculate Dillon's expected revenue if he sells 200 ice creams. Show your working.

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..... [2]

(ii) Calculate Dillon's expected total variable costs for 200 ice creams. Show your working.

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..... [2]

(iii) Explain **one** problem with the costs Dillon identified.

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..... [2]

[Total: 10]

5 **(a)** Explain **one** advantage and **one** disadvantage to an enterprise of operating as a sole trader.

Advantage .....

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Disadvantage .....

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..... [4]

(b) Explain **two** suitable methods of marketing that Dillon could use to attract potential customers to his ice cream cart.

1 .....

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2 .....

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..... [6]

[Total: 10]

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Section B

Answer **all** the questions.

You may use the case study, your own enterprise experience and your knowledge of enterprise where appropriate to answer the following questions.

6 (a) There are many skills and attributes that are useful to entrepreneurs, including:

- time management
- problem-solving
- taking responsibility
- creativity.

Discuss the importance to Dillon's enterprise of **two** of the skills or attributes listed. Use examples to support your answer. [10]

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(b) Dillon wanted to start an enterprise dealing with food. His enterprise would be affected by a number of laws and regulations, including those in the following areas:

- employment
- production
- selling.

Evaluate which **two** of these areas of laws or regulations would **most** affect Dillon's enterprise. Justify your decision. [15]

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[Total: 25]

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7 **(a)** Dillon's meeting with his parents was not successful because he had not thoroughly prepared for the negotiation.

Discuss how you could have improved the effectiveness of the meetings you were involved in during **your enterprise project**. Use examples to support your answer. [10]

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[Turn over

(b) Dillon chose not to work with a partner in his enterprise.

Evaluate whether being a partnership business organisation was, or could have been, the **best** option for **your enterprise project**. Justify your answer. [15]

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